

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19443
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On October 18, 2005, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) [Redacted] (petitioner) proposing additional income tax, penalty, and interest for tax year 2002 in the total amount of \$1,782.

On December 19, 2005, a timely protest and petition for redetermination was filed by the petitioner. The petitioner has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioner was issued a NOD by the Commission [Redacted]. [Redacted] [Redacted]. On June 12, 2006, the Tax Policy Specialist (policy specialist) sent the petitioner a letter to inform her of the alternatives for redetermining a protested NOD.

On June 19, 2006, the petitioner told the policy specialist during a telephone conversation that she would send a copy of a letter she received [Redacted].

The petitioner did not send the [Redacted] letter, so a follow-up letter was sent to her on July 21, 2006. The petitioner called August 8, 2006, and again said she would send the letter she received [Redacted].

On August 21, 2006, the policy specialist received the petitioner's letter [Redacted].

On January 17, 2007, the petitioner told the policy specialist during a telephone conversation that [Redacted].

On January 19, 2007, the policy specialist sent a letter to the petitioner that stated:

During our phone conversation on January 17, 2007, it appeared that, due to your current circumstances, you may not be able to pay all of the tax, penalty, and interest due the state of Idaho. The Idaho State Tax Commission may reduce the amount of a deficiency when the taxpayer can show "extreme financial hardship." Included with this letter is a Financial Statement form for you to complete. The Commission must have the completed form to determine whether financial hardship may be used as a basis for lowering the amount of your income tax deficiency. I will wait until February 2, 2007 for your completed Financial Statement form. If the Commission has not heard from you by that date, a decision will be issued on the information currently in the file.

As of the date of this decision, the petitioner has not returned the financial statement form.

Idaho Code § 63-3002 states it is the intent of the Idaho Legislature to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by a taxpayer. IDAPA 35.01.01.890.03 Income Tax Administrative Rule states that immediate written notification is required within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho Legislature intended any changes made to a taxpayer's federal return should be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

Following the Idaho Code, the adjustments should be made to the petitioner's Idaho income tax return. The petitioner carries the burden to prove the adjustments were incorrect.

[Redacted]

Since the petitioner has not provided the Commission with a contrary result [Redacted], the

Commission must uphold the deficiency.

WHEREFORE, the Notice of Deficiency Determination October 18, 2005, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$1,480	\$74	\$393	\$1,947

Interest is computed through September 17, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this ____ day of _____, 2007 , served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.